



HOUSE DEMOCRATIC OFFICE

HOUSE BUDGET 2009 The Democratic Office Perspective

MAJOR THEMES

- The **\$65.1 billion budget** is about \$500 million less than the current-year \$65.6 billion plan but includes **radical and reckless** policy changes.
- The proposal drastically raises taxes and fees on low income- and middle-class wage earners. There are **roughly \$1 billion in new tax hikes** that will be disproportionately paid by **working families**. The fees will be levied on everything from waste disposal to driver licenses.
- The plan features nearly **\$1 billion in cuts** to education and other programs; about **\$1 billion in new taxes** and fees on working families; and roughly **\$1 billion in trust fund sweeps**.
- The budget is balanced using **federal economic recovery** monies that **Democrats championed** and Republicans scoffed at accepting.
- To meet a \$6-billion General Revenue deficit, the House puts into education and health care programs **\$2.9 billion** of a \$5.1 billion allotment of **federal economic recovery** monies. The remaining \$2.2 billion of stimulus goes to local governments and to purchase certain equipment, such as buses and fire trucks.
- **The budget will cause real pain to real people.** Nursing home patients and those in need of Guardian Ad Litem services are among the first to feel the pain.

- **The education budget is a shell game.** It plugs new federal money into programs while simultaneously diverting state money from those same programs to other parts of the budget.
- **The budget reduces the number of public workers in state and local government,** which contributes to Florida’s high unemployment rate and may slow Florida’s economic rebound.

PREK-12 EDUCATION

	<u>08-09</u>	<u>House 09-10</u>	<u>Senate 09-10</u>
Per Student Spending:	\$6,860	\$6,890	\$6,860
Required Local Effort:	\$8.3 billion	\$7.5 billion	\$7.5 billion
Total FEFP:	\$17.9 billion	\$17.9 billion	\$17.9 billion
Federal Stimulus:		\$865 million	\$865 million
Universal Prekindergarten	\$353 mill	\$359 million	\$363 million
Per student (school year)	\$2,575	\$2,524	\$2,575
Per student (summer program)	\$2,190	\$2,146	\$2,190
Higher Education:	\$3.3 billion	\$3.2 billion	\$3.5 billion

- The House budget puts slightly more into PreK-12 funding while dramatically cutting higher education.
- Without the federal economic recovery package, Florida would face a \$1-billion education deficit, a 5 to 6 percent cut in total funding.
- The House budget puts \$29 million in a “bonus pay” plan for teachers that is so flawed that 90 percent of school districts refuse the money.
- The budget earmarks \$195 million for “ideological pork” to boost schools that perform well on the FCAT but underfunds schools where students perform at lower levels.

- This year's education funding is at roughly the same level as the 2006-07 spending level. Over two years, Florida has cut public school spending \$1.4 billion, or \$445 per student.
- Florida's Class Size Amendment has forced the Legislature to increase school funding nearly \$16 billion since its passage in 2002.

HIGHER EDUCATION

- \$3.2 billion cut in General Revenue (3.41% reduction).
- Tuition Increase: 7-percent base tuition increases (expected to generate \$60 million).
- Bright Futures: \$384 million cut (11% reduction)
- Florida Residential Access Grant (FRAG)—for private colleges & universities.
 - \$84.2 million (9 percent or \$8 million reduction)
 - Award amount: \$2,530 per/student.
- Tuition Differential: 15 percent (generates about \$50 million)
- The House does not accept or use any of the Indian Gaming Compact money as the Senate is proposing.
- Relies upon \$28 million in federal economic recovery

HEALTH & HUMAN SERVICES

Agency for Health Care Administration

Nursing Homes:

- Provider rates reduced by 2.5 percent, cutting \$69.5 million.

- Retains the current 2.6 percent nurse staffing ratios. (Implementing bill.)
- Hospice services may be cut by as much as \$6 million.

County Health Departments:

- Cuts Medicaid reimbursements to county health departments by \$1.5 million, or 1.5 percent.

Department of Health

- Cuts 478 vacant positions (\$20 million cut).
- Eliminates “special projects” by \$1.4 million.
 - o These are primarily dental/oral health programs.
- Cuts biomedical research funding by \$6.25 million. Together with special session cuts, these programs have been cut by two-thirds of the 2008-09 budget.
- “Non-core functions” cut by \$4.8 million
- “Minority Health initiatives” cut nearly in half--\$2.3 million cut from \$5 million budget.
- Area health education centers cut nearly a third. \$2.8 million cut of \$9.75 million.
 - o The program provides health professions students and faculty in low-income and rural areas.
- Cuts \$500,000 of \$6.6 million for environmental health programs run by county health departments.

Children and Families

- Privatization of Northeast Hospital. Allows DCF and private providers to bid to operate the facility.
- Independent Living: Partially restores \$500,000 recurring revenue of \$4.6 million of nonrecurring revenue which is not restored out of \$26.8 million total funding. Provides services and support to Florida foster youth leaving the state's dependency system without parental guidance.
- Community Based Care: Foster Care –
 - o “Intervention services” to prevent removal of a child from a home.

The budget cuts \$9.8 million of non-recurring funds for the services but adds \$5.6 million of recurring funds. Failure to fund the program at \$9.8 million risks the loss of \$20 million in federal grants.

- Mental Health and Substance Abuse – Eliminates \$16 million. Does not fund a number of old projects paid for with nonrecurring money.

According to the Florida Alcohol and Drug Abuse Association:

- 28,000 people will be denied services.
- 1,700 women and their children will be denied care-many of these children will become wards of the foster care system, moms will be in prison.
- 36 communities will lose core infrastructure-basic services that treat citizens in crisis.
- Public safety will be threatened as individuals without treatment commit crimes to support their addiction.
- A number of these are Crisis Stabilization Units, which means individuals go to jail or emergency rooms at higher costs.

Agency for Persons with Disabilities

No major issues.

Elder Affairs

- Home Care for the Elderly—cut by \$610,000, a 7.3 percent cut. Eliminates services for 285 people.
 - Program supports care in family living arrangements in private homes as an alternative to institutional or nursing home care by providing a subsidy of \$106/month.
- Community Care for the Elderly—cut by \$408,864 or 1 percent. Impacts 70 individuals.
 - Program provides personal services, respite, adult day care, transportation, home care.

In Special Session A, the governor vetoed proposed cuts of \$1.8 million (4.4%).

- The program allows functionally impaired older people to live in the least restrictive yet most cost-effective environment suitable to their needs. Services include: adult day care, companionship, consumable medical supplies, counseling, escort, emergency alert response, emergency home repair, home-delivered meals, home health aide, home nursing, legal assistance, medical therapeutic services, personal care, respite, shopping assistance, transportation.

Veterans Affairs

No major issues

TRANSPORTATION & ECONOMIC DEVELOPMENT

2008-2009 budget – \$11.7 billion

2009-2010 proposal – \$9.8 billion

Agency for Workforce Innovation

\$205 million of American Recovery and Reinvestment Act (stimulus)

- \$50 million for school readiness, a \$22 million increase.

Community Affairs

- Land Acquisition, Environmentally Endangered, Unique/Irreplaceable Lands
2008 - \$66 million
2009A – eliminated \$63 million
2009 – 0
- Housing Finance Corp – Affordable Housing Programs
2008 - \$128 million
2009A – cut \$10 million
2009 – 0
- State Housing Initiatives Partnership
2008 - \$166 million
2009A – cut \$13 million
2009 – 0

- Building Code Compliance and Hazard Mitigation

Cuts number of positions in half, from 15 to 7.5.

This group is working on updating the building code. Per the Department, this cut could affect the update of the code, which could affect public safety and determine which materials are used in construction.

Office of Tourism, Trade and Economic Development

- \$10 million increase to Florida Film & Entertainment
- \$10 million decrease to Florida Commission on Tourism

Department of State

No major issues

Highway Safety and Motor Vehicles

\$737 million in new fees, including:

- \$475 million in vehicle registration fees
- \$6.5 million in drivers license fees

Military Affairs

No major issues

Transportation

- \$101 million in new fees.
- Sets aside \$196 million in projects—pending approval of Sunrail plan.

GOVERNMENT OPERATIONS

Financial Services

Lottery

Management Services

Employee Compensation and Benefits—reduced by \$340 million

State employee salary cuts. Explained as: 5 percent above \$80,000, 4 percent above \$26,000, no cut for those earning under \$26,000.

Public Service Commission

Legislature

Office of the Governor

Other

CRIMINAL JUSTICE

Guardian ad Litem.

Reduces positions and funding.

2008-09: 596 positions and \$33 million.

Proposed 2009-10: 442 positions at \$26.1 million

Court System

Office of State Court Administrator is reduced by \$2.3 million.

Corrections

Drug treatment programs have been cut by \$10 million.

However, \$14 million in federal stimulus grants for Drug Court will help divert offenders who would otherwise need substance abuse treatment while incarcerated.

Juvenile Justice

Supervisory and executive director positions will face a reduction of \$2.8 million.

Reduction in Aftercare and Conditional Release programs - \$4.5M, a 16-percent reduction from last year's \$32.9 million allocation.

- Largest impact would be on day treatment/aftercare beds, including the Associated Marine Institute; loss of 300 beds from the current 2,050. Will lead to higher caseloads for state probation officers resulting in less supervision and fewer services for youth coming out of residential programs.

Law Enforcement

No proposed reductions to sworn officers. But investigative administrative support and program staff will be reduced by \$1.1 million.

Legal Affairs/Attorney General

No major issues.

Parole Commission

No major issues.

NATURAL RESOURCES**Agriculture & Consumer Services**

No major issues

Citrus

No major issues

Environmental Protection

- Despite record-low real estate prices, the budget lacks funding for the Florida Forever conservation land-buying program.
- Imposes a \$1.25 tax on every ton of garbage to be paid through higher city and county collection fees.
- Continues subsidies to for-profit professional sports franchises at a \$2 million annual cost.
- Cuts \$2 million for the care and rehabilitation of marine mammals, including manatees.
- Sweeps money from trust funds meant for Everglades and Lake Okeechobee protection.

Fish and Wildlife Conservation Commission

No major issues

TRUST FUND SWEEPS
Trust Fund Transfers to General Revenue

SECTION 1. Transfers \$341.5 billion into General Revenue from the following trust funds:

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

Division of Licensing Trust Fund: \$5 million

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Conservation and Recreation Lands Trust Fund:..... \$43.5 million

Land Acquisition Trust Fund.....\$20 million

Inland Protection Trust Fund..... \$175.6 million

Lake Okeechobee Trust Fund.....\$130,000

FISH AND WILDLIFE CONSERVATION COMMISSION

Marine Resources Conservation Trust Fund.....\$2.44 million

Invasive Plant Control Trust Fund..... \$6 million

AGENCY FOR HEALTH CARE ADMINISTRATION

Health Care Trust Fund..... \$5 million

Medical Care Trust Fund.....\$7,460,900

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

Administrative Trust Fund..... \$5.5 million
Grants and Donations Trust Fund.....\$5 million
Welfare Transition Trust Fund.....\$7 million
Operations and Maintenance Trust Fund.....\$4 million
Social Services Block Grant Trust Fund.....\$6 million

PUBLIC SERVICE COMMISSION

Regulatory Trust Fund.....\$4.5 million

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

Hotel and Restaurant Trust Fund.....\$5 million
Professional Regulation Trust Fund.....\$1.5 million
Florida Division of Condominiums, Timeshares
and Mobile Homes Trust Fund.....\$6 million

DEPARTMENT OF FINANCIAL SERVICES

Financial Institutions Regulatory Trust Fund (OFR).....\$5 million
Insurance Regulatory Trust Fund..... \$13 million
Worker's Compensation Administrative Trust Fund.....\$5 million

DEPARTMENT OF MANAGEMENT SERVICES

Operating Trust Fund DOAH-Workers' Compensation Appeals....\$1 million
Law Enforcement Radio System Trust Fund.....\$1.5 million

DEPARTMENT OF REVENUE

Child Support Incentive Trust Fund..... \$4,893,058

EXECUTIVE OFFICE OF THE GOVERNOR

Planning and Budgeting System Trust Fund.....\$1.5 million

SECTION 2.Council on Education and Economic Development

TRUST FUND SWEEPS, Transfers \$585 million to General Revenue

DEPARTMENT OF TRANSPORTATION

State Transportation Trust Fund..... \$420 million

Toll Facilities Revolving Trust Fund..... \$40 million

DEPARTMENT OF STATE

Grants and Donations Trust Fund..... \$2 million

DEPARTMENT OF COMMUNITY AFFAIRS

Local Government Housing Trust Fund..... \$86,180,000

State Housing Trust Fund.....\$36,830,000